

I. PURPOSE AND SCOPE

The New York State Child and Adult Care Food Program (CACFP) announces the continued availability of additional administrative payments to increase participation in CACFP among licensed and registered providers and exempt, informal caregivers. Two types of additional payments are available to CACFP Sponsoring Organizations: Start-up or Expansion. Start-up payments are available on a one-time basis to new or existing organizations that sponsor fewer than 50-day care homes in CACFP. These payments can assist Sponsors to initiate successful CACFP operations among licensed, registered, or exempt caregivers. Expansion payments are available to Sponsors of any size to increase CACFP participation among licensed, registered or exempt caregivers in low income, rural and/or unserved areas only. A period of 12 months must elapse after the expiration of the time allotted to the Sponsoring Organization under its original Start-up or previous Expansion agreement with CACFP before the Sponsor can apply for further Expansion payments.

These instructions describe who is eligible, how payment amounts are determined and other requirements for both Start-up or Expansion payments. The attached application is used to apply for either Start-up or Expansion funds. Sponsors may apply for only one type of additional payment at a time.

Sponsoring Organizations applying for either type of additional payment will be notified of approval or disapproval by CACFP, in writing, within 30 calendar days of filing a complete and correct application. If a Sponsoring Organization submits an incomplete application, CACFP will notify the Sponsor. CACFP will provide the necessary technical assistance and direction to the applicant so that the application can be completed correctly.

II. START-UP PAYMENTS

As described in the federal regulations governing CACFP (7 CFR 226.12), Sponsoring Organizations of fewer than 50 day care homes may receive Start-up payments to develop or expand CACFP to licensed, registered or exempt day care home providers.

A. Basic Eligibility

1. Must be an approved CACFP Sponsoring Organization of Day Care Homes with fewer than 50 day care homes, or an approved new Sponsoring Organization with no homes under their jurisdiction.
2. New organizations will need to complete an application and management plan to become an approved CACFP Sponsoring Organization of Day Care Homes in conjunction with completing the application for Start-up payments. Contact CACFP to receive an application and management plan.
3. A Sponsoring Organization is eligible to receive Start-up payments only once. If an organization has received CACFP Start-up payments previously, they may apply only for Expansion payments.
4. A Sponsoring Organization must have a history of successfully managing funds and ongoing activities for public or private programs to be eligible to receive Start-up payments. An organization may satisfy this requirement by its current participation in CACFP.
5. Day care home providers who have changed sponsorship from another organization currently participating in CACFP cannot be included in the Start-up recruitment efforts.

B. Payment Terms

1. The maximum Start-up payment is determined as follows:
 - a. For new Sponsoring Organizations the calculation is based on 50 homes, while for existing Sponsors the calculation is based on 50 homes minus the number of homes already administered by the Sponsor.

- b. The Sponsor may receive an amount equal to one month's administrative payment, but not more than two months' payment, earned from the number of homes calculated from above (a.)
 - c. Start-up payments will be based on the administrative rate in effect at the time the application is submitted.
2. Start-up payments are issued in two parts:
- a. The first Start-up payment will be handled as follows: At the time of the Start-up Grant Application approval, an advance equal to one-half of the total award will be sent. Typically, these funds will be received 3-4 weeks from the date of the approval letter.
 - b. The second payment will be issued following the submission of a progress report. A progress report must be submitted to CACFP documenting how the first payment was utilized in conducting Start-up activities. Original receipts must be included. This report must be submitted no later than one month before the end of the time frame for Start-up activities. The time frame encompasses the dates of the supplemental agreement.

Example

Two CACFP Sponsoring Organizations apply for Start-up payments in July 2005 when the administrative payment is \$91 for the first 50 homes.

- 1. The first Sponsor does not yet administer any day care homes. It may receive Start-up payments for as many as 50 homes. The organization may request no less than \$4,550 (50 x \$91 x 1 month) and not more than \$9,100 (50 x \$91 x 2 months). If the organization requests \$9,100, the first payment will be \$4,550. The Start-up activities result in the recruitment of 10 family day care home providers who submit a claim for reimbursement for the second month of the grant period. The second grant payment will also be \$4,550. The number of recruited providers will have no effect on the total grant award when the Sponsor has no providers under their jurisdiction at the time of application for Start-up funds.
- 2. The second Sponsor currently administers CACFP for 30 day care homes. It may receive Start-up payments for 20 homes in order to reach the 50 home limit for Start-up payments. The organization must request at least \$1,820 (20 x \$91 x 1 month) and not more than \$3,640 (20 x \$91 x 2 months). In this instance, the first payment will be \$1,820. As a result of the Start-up activities funded by the first payment, 10 family day care providers were recruited by the Sponsoring Organization. The second payment will also be \$1,820. The number of newly recruited providers will have no effect on the total grant award.

C. Agreement

As part of the application, Sponsoring Organizations must enter into a supplemental agreement with New York State Department of Health, Child and Adult Care Food Program. The supplemental agreement includes the time frame for completing the Start-up efforts. If Sponsoring Organizations anticipate that Start-up activities cannot be completed within the time frame originally outlined in the Start-up application, a request for an extension must be submitted to CACFP.

D. Final Report

Sponsors must submit a written report upon the completion of the grant activities. The written report must include a description of the activities conducted to contact and recruit providers, a count of providers recruited and actually participating, and the costs incurred under the grant. As long as a Sponsoring Organization has made every reasonable effort to carry out the activities specified in the agreement, CACFP will not request repayment of the Start-up grant. However, no Sponsoring Organization may retain any Start-up payments in excess of its actual costs for the expenditures specified in the agreement.

Day care home providers who have changed sponsorship from another organization currently participating in CACFP cannot be included in the Start-up recruitment reporting.

EXPANSION PAYMENTS

Expansion payments provide additional administrative funds for existing Sponsoring Organizations to expand CACFP among licensed and registered, and exempt informal caregivers in rural, low-income areas and/or unserved areas. The additional payments are intended to be applied to the higher-than-normal costs experienced by organizations when expanding into these areas. The payments may assist an organization to add as many as 50 additional homes under their sponsorship.

A. Basic Eligibility

1. Participating Sponsoring Organizations of day care homes that administer CACFP for more than 50 day care homes, or Sponsors of fewer than 50 homes previously awarded Start-up payments.
2. A Sponsoring Organization must have a history of successfully managing funds and ongoing activities for public or private programs to be eligible to receive Expansion payments. CACFP may be included as relevant experience.
3. A period of 12 months must elapse after the Sponsoring Organization has satisfied all obligations under its original Start-up or previous Expansion agreement before the Sponsor can apply for additional Expansion payments.
4. If one Sponsoring Organization has been approved for expansion in a targeted area, a second organization will not be granted approval to recruit in the same area.
5. Day care home providers who are changing sponsorships from another organization currently participating in CACFP cannot be included in the expansion recruitment efforts.

B. Payment Terms

Sponsoring Organizations will receive one Expansion payment. The calculation for payment is based on the number of day care homes, up to 50 homes, targeted by the Sponsor for Expansion efforts. This 50 home limit does not include homes already operated by the Sponsoring Organization requesting the funds. The administrative payment distributed under the Expansion Grant utilizes the rate in effect at the time the application is submitted. The amount paid to a Sponsoring Organization is the administrative payment for at least one month, and not more than 2 months, multiplied by the number of homes targeted for expansion.

Example

A Sponsoring Organization applies for Expansion payments to add 50 day care homes. The administrative payment rate at that time is \$91 for the first 50 family day care homes. The organization may request no less than \$4,550 ($50 \times \$91 \times 1 \text{ month}$) and not more than \$9,100 ($50 \times \$91 \times 2 \text{ months}$). One payment will be issued for the entire amount approved.

C. Agreement

As part of the application, Sponsoring Organizations applying for an Expansion payment must enter into a supplemental agreement with the New York State Department of Health, Child and Adult Care Food Program. The supplemental agreement includes a time frame for completing the expansion efforts. If Sponsoring Organizations anticipate that the expansion activities cannot be completed within the time frame outlined in the application, a written request for an extension must be submitted to CACFP.

D. Final Report

Sponsors must submit a written report upon the completion of the grant activities. The written report must include a description of the activities conducted to contact and recruit providers, a count of providers recruited and actually participating, and the costs incurred under the grant. As long a Sponsoring Organization has made every reasonable effort to carry out the activities specified in the agreement, CACFP will not request repayment

of the Expansion grant. However, no Sponsoring Organization may retain any Expansion payments in excess of its actual costs for the expenditures specified in the agreement.

Day care home providers who have changed sponsorship from another organization currently participating in CACFP cannot be included in the Expansion recruitment reporting.

E. Definitions

Expansion payments are to be used to reach licensed, registered or exempt day care providers in areas that are low-income, rural or unserved by CACFP. Below are the definitions for ***low-income***, ***rural*** and ***unserved***, and guidance for the applicant in completing related questions.

1. **Low-income:** USDA requires that school data be used to determine if an area is one in which poor economic conditions exist. School data demonstrates that an area is low-income when 50% or more of the children enrolled in schools, in the area where the CACFP Expansion is to take place, are eligible for free or reduced price meals under the National School Lunch or School Breakfast programs. Sponsors will annually receive from CACFP a list of all elementary schools in the state in which at least 50 percent of the enrolled children are eligible for free or reduced price meals. Sponsors must include school information to describe the low-income area. To strengthen the argument that the area is indeed low-income, in addition to the school information, Sponsors may also document the need of an area by using census tract data to show that the median income for the area where Expansion is planned is lower than the reduced price guideline. Information on low-income census block groups can be obtained from local government offices.
2. **Rural:** USDA has defined rural to mean any area in a county which is not part of a Metropolitan Statistical Area, or any pocket within a Metropolitan Statistical Area that may be determined to be geographically isolated from an urban area. If the applicant is expanding into an area not clearly rural, justification should be provided in order to assist CACFP to determine if the area could be defined as rural. Applicants may contact their public library, county planning office or CACFP for assistance, in determining ***rural*** status.
3. **Unserved:** In general, an unserved area is one in which day care home providers desire to participate in CACFP but cannot because of a lack of a Sponsoring Organization. Sponsors need to demonstrate that there are licensed, registered or exempt informal caregivers within the targeted geographical area who are not already participating in CACFP. You may contact CACFP for information on areas with non-participating providers.

F. Limitations

1. The final rule governing the amendment which provided Expansion funds for low-income or rural areas specifically prohibits sponsors from using Expansion funds to target individual day care homes that are not located in low-income areas. The funds can only be used to target providers in low-income or rural areas, not individual low-income providers located outside of such areas.
2. A Sponsoring Organization who has successfully expanded in the area(s) for which Expansion funds were originally approved, may apply for a second round of Expansion payments for expansion into other low-income and rural areas. The second application must justify the need for further Expansion.
3. A Sponsoring Organization is not eligible to apply for a second round of Expansion funds until at least 12 months have elapsed after the Sponsor has satisfied all obligations under its initial or prior agreement.

If applicant Sponsoring Organizations have questions about either Start-up or Expansion payments or need assistance in completing the application for Start-up or Expansion payments, please call a Homes Nutritionist at 1-800-942-3858, ext. 27104.